

## Message Text

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ACTION XMB-04

INFO OCT-01 NEA-11 ISO-00 EB-08 COME-00 /024 W  
-----042687 081448Z /72

R 081406Z MAY 78  
FM AMEMBASSY ALGIERS  
TO SECSTATE WASHDC 8508

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DEPT PLEASE PASS EXIMBANK

E. O. 11652: N/A  
TAGS: EFIN, AG  
SUBJ: EXIM FINANCING FOR TRUCKS TO SONACOME

REFS: A) STATE 93051, B) ALGIERS 1197, C) STATE 106856

1. EMBASSY COMMERCIAL OFFICER MCARTHUR DISCUSSED SUBJECT WITH SONACOME  
E

DIRECTOR OF FINANCE AND MANAGEMENT, MR. BEN MANSOUR, AND DIRECTOR OF  
IMPORTATIONS, MR. BAGHDADI, AS WELL AS WITH SNTR TECHNICAL DIRECTOR.  
CONVERSATIONS WERE INTERESTING AND WORTHWHILE BUT, AS EXIM CAN IMAGINE,  
THEY DID NOT PROVIDE FULL ANSWERS TO QUESTIONS POSED REF A.

2. FIRST THING THAT BECAME APPARENT WAS THAT EMBASSY WAS WRONG IN  
ITS ASSUMPTION (REF B) THAT BULK OF SONACOME TENDER IS FOR SNTR.  
SNTR RECENTLY HAS ISSUED SMALL TENDER FOR 26 TRUCKS. THEY SAY THE  
DO NOT HAVE PLANS ACQUIRE SIGNIFICANT NUMBER OF ADDITIONAL TRUCKS  
THIS YEAR. APPARENTLY PLANNING SECRETARIAT AND MINISTRY FINANCE HAVE  
TURNED DOWN SNTR REQUEST FOR ADDITIONAL TRUCKS THIS YEAR, SINCE  
BULK OF THEIR FLEET LESS THAN THREE YEARS OLD. THIS IS PROBABLY  
ALSO WHY LAST YEAR'S TENDER WAS NEVER CONCLUDED. SONACOME SAYS THEIR  
TENDER IS CONSOLIDATION OF REQUESTS FROM MINISTRIES, NATIONAL ORGANIZATIONS  
AND STATE CORPORATIONS, PLUS SMALL NUMBER (UNSPECIFIED) FOR RESALE TO  
PRIVATE SECTOR. THEY SAY THEY HAVE NO WAY OF KNOWING  
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HOW MUCH OF THESE REQUESTS REPRESENTS REPLACEMENT OR EXPANSION  
VEHICLES, SINCE REQUIREMENTS ARE ALL NEGOTIATED BETWEEN STATE CORPORATIONS  
AND PLANNING SECRETARIAT. ALL SONACOME RECEIVES IS A FINAL, APPROVED  
PROCUREMENT LIST FOR EACH ORGANIZATION, AND THEY HAVE NO AUTHORITY TO  
QUESTION OR MODIFY LIST. SONACOME WOULD NOT SAY HOW MUCH OF TENDER IS  
DESTINED TO SONATRACH OR SNTR. THEY DID SAY, HOWEVER, THAT BOTH ORGANIZATIONS  
RETAIN THEIR AUTHORITY TO TENDER

DIRECTLY, ALTHOUGH SUCH TENDERS MUST BE COORDINATED WITH AND APPROVED BY SONACOME.

3. AS REQUESTED REF C, EMBOFF INFORMED BEN MANSOUR AND BAGHDADI OF L/I FOR WHITE AND ASKED WHETHER SONACOME WOULD LIKE TO APPLY DIRECTLY FOR P/C. BEN MANSOUR REPLIED THAT THE INFORMATIONAL REQUIREMENTS OF EXIM WERE SUCH (HE RECALLED LAST YEAR'S AMGENERAL CASE) THAT THEY PREFERRED, AT LEAST FOR THE MOMENT, TO LEAVE THESE REQUIREMENTS ON THE SHOULDERS OF SUPPLIERS. BEN MANSOUR SAID THAT WHAT WOULD INTEREST THEM WOULD BE, IN EFFECT, AN EXIMBANK "LINE OF CREDIT", NOT LIMITED TO THIS TRUCK TENDER BUT, OF COURSE, LIMITED TO U.S. ORIGIN EQUIPMENT. HE SAID THIS TYPE OF ARRANGEMENT EXISTS FOR MANY COUNTRIES, AND IT WOULD ASSIST OUR EXPORTERS BY REMOVING THE ELEMENT OF DOUBT REGARDING FINANCING. IN RESPONSE TO MCARTHUR'S EXPRESSION OF RESERVATIONS ABOUT THE LIKELIHOOD THAT EXIM WOULD OR COULD AGREE TO SUCH AN ARRANGEMENT, BE MANSOUR SAID THAT AGREEMENT WITH EXIM COULD BE CONDITIONED OR RESTRICTED TO SPECIFIC ITEMS OR TYPES OF ITEMS. HE SAID IN PARTICULAR THEIR MOST LIKELY SIGNIFICANT PURCHASES FROM THE U.S. WOULD BE TRUCKS AND PUBLIC WORKS EQUIPMENT. COMMERCIAL OFFICER AGREED THAT SUCH AN ARRANGEMENT WOULD BE A BOON TO U.S. EXPORTERS, BUT STILL EXPRESSED DOUBTS THAT EXIM WOULD BE ABLE PROVIDE UNITED LINE OF CREDIT; HOWEVER, HE PROMISED TRANSMIT SONACOME REQUEST TO EXIMBANK. BEN MANSOUR SAID AT MINIMUM IT WOULD BE USEFUL TO THEM IF EXIMBANK COULD SEND THROUGH EMBASSY A NON-BINDING GENERAL STATEMENT OF WHAT EXIM'S CURRENT FINANCING TERMS AND CONDITIONS ARE FOR THE TYPES OF EQUIPMENT SONACOME IS INTERESTED LIMITED OFFICIAL USE

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IN. COMMERCIAL OFFICER ALSO AGREED TRANSMIT THIS REQUEST.

4. EMBASSY COMMENT: EXIMBANK WILL RECALL FROM ITS EARLIER CONVERSATIONS WITH SONACOME THE EXTREME RELUCTANCE TO PROVIDE MEANINGFUL INFORMATION. THERE WAS ALMOST A REACTION OF RESENTMENT AT THE NATURE OF THE QUESTIONS, WITH SUCH REMARKS AS "I CAN ASSURE YOU THE NUMBERS WERE NOT SELECTED AT RANDOM AND ARE A RESULT OF CAREFUL BALANCING OF REQUIREMENTS WITH PRIORITIES. WE (SONACOME) HAVE NO MORE RIGHT TO QUESTION THEM THAN YOU DO." WE BELIEVE ANSWERS TO QUESTIONS REGARDING BREAKDOWN OF END-USERS, REPLACEMENT VS NEW, ETC., AS WELL AS OTHER QUESTIONS OF EXIM (AND EMBASSY) REGARDING PRIORITIES AND ALLOCATION OF RESOURCES, MIGHT BEST BE FOUND AT PLANNING SECRETARIAT. UNFORTUNATELY, EMBASSY TO DATE HAS FOUND PLANNING SECRETARIAT AMONG THE MOST IMPENETRABLE OF ALGERIAN ORGANIZATIONS. SINCE EXIMBANK VISITS USUALLY TEND TO OPEN DOORS NORMALLY CLOSED TO EMBASSY, WE SUGGEST EXIM CONSIDER INCLUDING PLANNING SECRETARIAT ON ITINERARY FOR NEXT MORRIS/MORAN/LAROCHE VISIT.

5. EMBASSY CONSIDERING QUESTIONS RAISED PARA TWO REC C AND MAY HAVE COMMENT TO MAKE LATER. IN MEANTIME, EXIM MIGHT CONSIDER SUCH IDEAS AS LINE OF CREDIT SUGGESTED PARA THREE ABOVE IN ITS OVERALL RECONSIDERATION OF POLICY TOWARD ALGERIA. HAYNES

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, TRUCKS, FINANCIAL CONTRIBUTIONS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Subject:** EXIM FINANCING FOR TRUCKS TO SONACOME  
**TAGS:** EFIN, AG  
**To:** STATE  
**Type:** TE  
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